



City Controller's Office Monthly Economic Snapshot (October)

31-Oct-07

Total Non-Farm Employment (in thousands)

	Oct-07	Oct-06	Change	Sep-07
City Total	668.3	665.4	0.44%	661.7
Manufacturing	27.8	29.7	-6.40%	27.9
Wholesale & Retail	65.2	65.5	-0.46%	64.4
Services	626.7	622.8	0.63%	620.3
Construction & Mining	13.8	12.9	6.98%	13.5
MSA Total	2848.5	2823	0.90%	2832.3
Manufacturing	222.3	228	-2.50%	223.7
Wholesale & Retail	446	441.6	1.00%	443.6
Services	2489.1	2461.1	1.14%	2471

Source: BLS

Unemployment Rate (%)

	Sep-07	Sep-06	Change	Aug-07
City	6.1	6.3	-3.17%	6.2
MSA	4.2	4.5	-6.67%	4.4
US	4.7	4.6	2.17%	4.6

Source: BLS

City Tax Collections (millions)

Through 10/31/07	FY2008	FY2007	Change	% Budget
Sales	\$43.25	\$45.14	-4.18%	32.8%
Wage/NPT/Earnings (City & PICA)	\$498.89	\$479.45	4.05%	31.3%
Tot City & PICA Tax Revs	\$697.38	\$694.01	0.49%	25.1%

Source: Philadelphia Revenue Commissioner

Office Availability Rate (%)

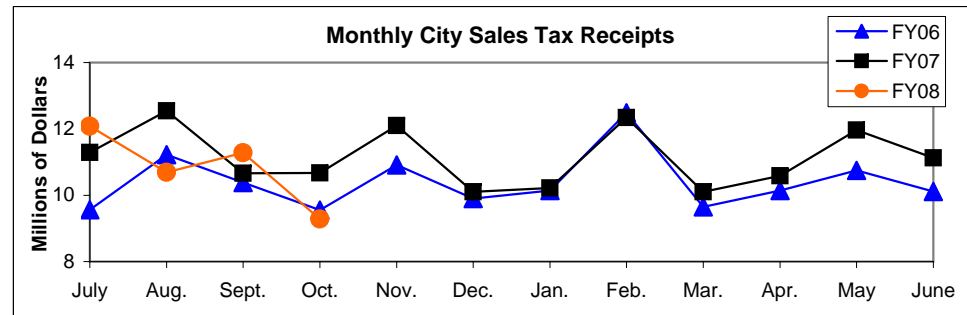
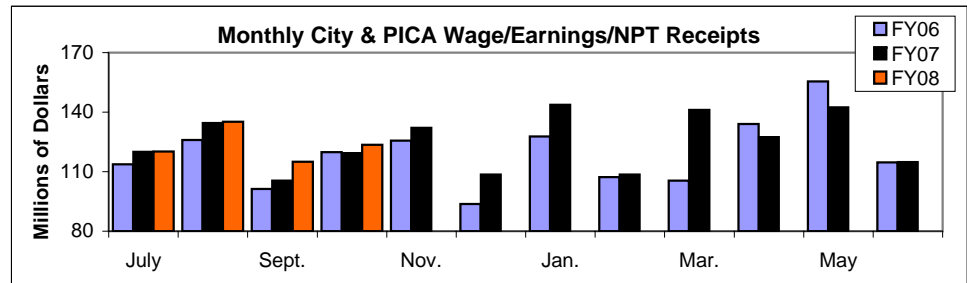
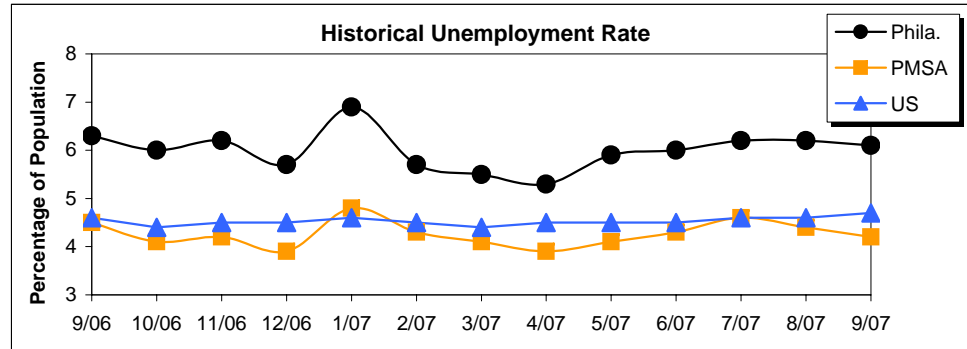
	3Q-07	3Q-06	Change	2Q-07
Central Bus. District	12.6	13.6	-7.13%	12.5
Philadelphia Suburbs	12.6	18.4	-31.36%	17.6

Source: CB Richard Ellis

Demographic And Socio-Economic Snapshot 2006 (Population/Demographics - 2006 Census American Community Survey)

	Population	Male	Female	White	Af. Amer.	Asian	Other	Hispanic	Pov. Rate	Under 18	Over 65	Md Hse Inc
City of Philadelphia	1,448,394	46.78%	53.21%	41.83%	44.33%	5.30%	8.50%	10.46%	25.10%	25.58%	13.00%	\$ 33,229

Highlights of Note: In October, the U.S. leading index dropped sharply fueled by declines in housing permits, upsurges in initial claims for unemployment insurance, and decreases in consumer expectations. Moreover, national consumer inflation went up for the second month in a row as energy, medical care, and food prices increased. Consumers should brace for even higher prices in November according to economists. In the Philadelphia region, general business activities stayed positive, employment increased, and prices were higher for more finished goods. However, prices for inputs were also reported higher in the region, and the amount of new orders in manufacturing decreased from September.





Economic Forecasts

October 2007

Arrows (↔ ↗ ↘ ↙ ↚) indicate the change of the forecast over time, not the direction of the forecast itself.

United States		Updates per Year	Last Update	Current GDP	2007 GDP		2008 GDP		2007 Consumer Price		Unemployment Rate	2007 Unemployment		2008 Unemployment		
1	American Bankers Association, ABA — Forecast and Outlook	2	Jun-07	3rd Quarter 2007 3.9%	4.0%	↗	4.9%	↔	3.2%	↘	Oct. 4.7%	4.6%	↗	4.8%	↔	
2	economy.com — Précis: Metro/US	3	Sep-07		2.0%	↘	2.3%	↘	N/A	○		4.6%	↔	4.9%	↗	
3	FRB Philadelphia — Livingston Survey	2	Jun-07		N/A	N/A	2.9%	↗	2.6%	↗		4.6%	↗	4.8%	↗	
4	FRB Philadelphia — Survey of Professional Forecasters	4	Aug-07		1.9%	↘	2.8%	↗	2.2%	↘		4.6%	↔	4.7%	↘	
5	National Association for Business Economics — NABE Outlook	4	Sep-07		2.0%	↘	2.8%	↘	3.3%	↗		4.6%	↔	4.8%	↔	
6	The Conference Board — U.S. Leading Indicator	12	Oct-07	Level of Business Activity	Oct-07 to Apr-08										This chart tracks the Indicator for the last 12 months.	

Narrative: Economic forecasters warn of the increased risk for recession in 2008 after slow economic growth in the remainder of 2007. The Conference Board also warns of continued economic weakness, but economic growth should continue at a slower pace. Real estate prices are likely to plunge in the future according to the 2008 Emerging Trends report as tightening credit markets, increasing concern over a slowing economy, high land, labor, material, and entitlement costs, and stricter underwriting continue. Furthermore, housing reversals could upend the national economy and destroy consumer confidences.

Regional (U.S. Northeast) & Local (Phila. Metro)		Updates per Year	Last Update	Current GRP/GMP	2007 GRP/GMP (percent change)		2008 GRP/GMP (percent change)		2007 Personal Income Growth		2008 Personal Income Growth		2006 Net Migration (thousands)	2007 Net Migration (thousands)		
7	economy.com — Précis: Metro/NORTHEAST	3	Sep-07	N/A	N/A	○	N/A	○	6.8%	↗	3.8%	↘	-105.7	↗	-62.3	↗
8	economy.com — Précis: Metro/Philadelphia	3	Sep-07	2.1%	1.8%	↘	1.8%	↘	5.0%	↗	2.8%	↘	-7.6	↔	-6.5	↔
7	economy.com — Précis: Metro/NORTHEAST	3	Sep-07	Current (2006) Employment	2007 Employment	↘	2008 Employment	↘	Cost of Doing Business (U.S. = 100)	108	↔	Current (2006) Unemployment	2007 Unemployment	↔	2008 Unemployment	
8	economy.com — Précis: Metro/Philadelphia	3	Sep-07	29,134	0.8%	↘	0.3%	↘	119	↔	4.7%	4.4%	↔	4.6%	↗	
9	FRB Phila — Regional Employment Forecasts	4	Aug-07	1,905	0.6%	↘	0.2%	↘	n/a	○	n/a	4.2%	↗	4.3%	↗	
9	FRB Phila — Regional Employment Forecasts	4	Aug-07	n/a	0.8%	↘	0.6%	↘	n/a	○	n/a	4.1%	↘	4.8%	↘	
10	FRB Philadelphia — Business Outlook Survey	12	Oct-07	Leading Indicator	Oct-07 to Apr-07										This chart tracks the Indicator for the last 24 months.	

Narrative: The Philadelphia region's manufacturing executives were more optimistic about future activity over the next six months, showing a six point increase in the future general activity index from September. The Emerging Trends in Real Estate report for 2008 showed a lackluster 2008 for the city, and comparing Philadelphia to other large U.S. cities, Kevin Gillen of the Wharton School says, "as long as taxes remain high and the quality of public services remain low, Philadelphia as a whole will continue to punch below its weight class among other large U.S. cities." However, Marcus & Millichap real estate investment firm predicts high performance for the Philadelphia apartment market through the end of 2007. However, the Philadelphia housing market is on shaky ground from subprime woes and the credit crunch as \$6.54 billion in 48,000 high-cost risky mortgages were made in the Philadelphia region in 2005. Those effects have yet to be seen as city home prices fell only 1% in the third quarter, the first drop since 2003, but still above the national trend.

1	American Bankers Association, ABA — Forecast and Outlook	This outlook delivers a one-year forecast for mostly banking-related indicators as well as general economic measures.													
2,7,8	economy.com — Précis: Metro/US/Northeast/Philadelphia	These outlooks include five-year forecasts of eleven key indicators. There are separate tables for the US, the US-Northeast, and the Philadelphia area.													
3,4,9,10	FRB Philadelphia	Federal Reserve Bank, 3rd district, Philadelphia — covers eastern Pennsylvania, southern New Jersey, and the state of Delaware.													
3	FRB Philadelphia — Livingston Survey	The Livingston Survey was started in 1946 by the late columnist Joseph Livingston. It is the oldest continuous survey of economists' expectations. It summarizes the forecasts of economists from industry, government, banking, and academia.													
4	FRB Philadelphia — Survey of Professional Forecasters	The Survey of Professional Forecasters is one of the oldest (since 1968) quarterly survey of macroeconomic forecasts in the US.													
9	FRB Philadelphia — Regional Employment Forecasts	This is a regional indicator predicting job growth and unemployment rate one year from now.													
10	FRB Philadelphia — Business Outlook Survey	The Business Outlook Survey is a monthly survey of manufacturers in the Philadelphia area indicating the change in expected business activity six months from now. The index represents a percentage of respondents predicting an increase.													
5	National Association for Business Economics — NABE Outlook	The NABE Outlook presents the consensus of macroeconomic forecasts made by a panel of 37 professional forecasters from the membership of the National Association for Business Economics. The survey originated in 1965.													
6	The Conference Board — U.S. Leading Indicator	The Leading Indicator gauges the whereabouts of the US economy in nine months.													